

# Peeps Into Professional Ledgers

## DOLLAR SECRETS OF DOCTORS AND DENTISTS

By FORREST CRISSEY

ILLUSTRATED BY IRMA DÉRÈMEAUX

A FEW days ago a celebrated physician entered a Chicago bank and asked the cashier:

"Do you consider the Blank Security bonds a safe investment?"

With unwinking soberness the banker answered:

"We recommend them for the funds of widows, orphans and physicians."

This reply, made to a specialist whose fame is national, neatly expressed the prevailing opinion that physicians belong in the class of financial incompetents whose business helplessness entitles them to special consideration and protection from all who have to do with their monetary affairs.

A keen business analyst lately declared:

"Doctors have been busy for years discovering predatory germs that are perfectly at home in the human system and that play all kinds of havoc with their environment and with each other. According to their findings under the microscope, no man can hope to be immune from the attacks of a few millions of these energetic internal Philistines, which, we are taught, are no respecters of persons; but the business scientist has lately brought to light one germ from which almost the entire medical fraternity appears to be immune. I refer to the Business Efficiency germ. When you are able to secure a healthy culture of this microbe in the mind of an able doctor of medicine you have approached dangerously near the point of miracle working—and physicians assure us that there is no such thing as a miracle!"

"Certainly I ought to be in position to speak without prejudice on this score, having recently had my appendix removed at an expense of about five hundred dollars. Besides, there are three physicians in our immediate family. When it comes to business methods or to financial discernment the average physician is a Babe in the Wood. For sheer helplessness and inefficiency in affairs of money he is a marvel! Some say that when a physician shows the slightest symptom of financial capacity it's about time to call his professional skill into question; but that, of course, is sheer nonsense—a survival of the tradition that if a man has temperament enough to be a scientist, an artist, or a student in any line, he must naturally be incapacitated for practical affairs. That is rot and rubbish, and it's about time the medical fraternity woke up to the fact that its prevailing slipshod business methods are responsible for keeping its professional efficiency at an unnecessarily low register."

How can the doctor who has no grasp of the business end of his practice hope to keep up with the progress of his profession? It takes money to buy medical books and to attend medical lectures, conventions, clinics and meetings. The physician who is so professional that he lets his patients do his collecting, and has no fixed standard of charges, cannot keep pace with professional progress, because he has not the money with which to do it. He is merely a professional slave, and slavery never spells progress.

### The Old School and the New

IF THE business side of professional life were placed on an efficiency basis the scientific side of medical practice would receive an uplift that would be felt from one end of the country to the other; and it would not be evidenced in higher fees, either. One result would be that the honest, conscientious debtor to the doctor would not have to pay for the delinquencies of the dead beat. And that is about what he has been doing under the old system for many years—especially in family practice.

Does the physician deserve his undoubted reputation for business inefficiency?

He admits it. And if he is a practitioner of the old school he admits it with a cheerfulness that is more suggestive of pride than of regret. There is an implication in his tone that the younger men in the profession to-day are not quite so keen for the high ethical and humanitarian standards of the old school as were the men who rode

the country night and day, and held a fine disregard for weather, for personal hardships, and for fees and collections.

The figure of the old-school country doctor, driving through storm and sleet in his jerky two-wheeled gig, has passed into literature and is imperishably imbedded in American tradition. There is a halo of heroism, of devotion to the demands of suffering humanity, that will always cling to the head of this physician of the passing generation. The reverence accorded him—at least in literature—is scarcely less than that which attached itself to the priest and the pastor, who often met the old-time doctor at the bedside of suffering.

This is a very practical age, however, and the progressive young practitioner of to-day is no more satisfied to accept the canons of tradition respecting the business ethics and methods of his profession than he is to accept as scientific the medical basis of ancient practice. The odor of sanctity that clings to the old-school doctor, who served humanity at the sacrifice of his own health and income, is all very fine and effective in the pages of literature, according to the young physician of the progressive, modern type; but are the business standards of this old-school practitioner any more worthy of perpetuation than his obsolete medical theories that have been put on the shelf and labeled as interesting superstitions?

The latter-day leaders of the profession declare that they want facts and nothing else—hard, scientific facts that will stand every test; and that nothing else counts. And some of them say it is high time to bring the business side of medical practice down to as modern and scientific a basis as that which now characterizes its professional side.

The use of the terms "old-time physician" and "doctor of the old school" is misleading if it suggests that reference is made to a type or species which is practically extinct. Medical men who belong by temperament and ethical ideals to the old school are still so numerous as to be common. Survivals are to be found in practically every country community; and they are by no means extinct in the residence districts of the large cities.

However, the business traditions of the old school show a marvelous vitality, and these survive in the offices of

thousands of physicians who are modern practitioners in every other respect. These are the men that look on this survival of ancient business practices with sincere regret and frankly admit that they wish they knew a tenth as much about credits, collections, bookkeeping and investments as they know of anatomy. They frankly confess that they have not the shadow of a scruple against being as efficiently businesslike as a banker, and that they need the money; but that they neither know how to get it nor know how to take care of what they do collect. With one accord physicians of this numerous class declare:

"The man who says we are Babes in the Wood is right. He knows what he's talking about. The weakness of our profession to-day is its business incompetence; and there is little doubt that in the matter of business inefficiency the medical profession can show the highest percentage of all the professions. We head the list of easy marks on the prospect books of the gold-brick dealers and blue-sky promoters, and we are systematically cultivated by that sort of gentry to the unfailing profit of themselves and their backers."

### Forty Per Cent Collections

OF COURSE this applies far more generally to the country practitioner than to the city physician, particularly if he is a specialist whose practice comes to him largely through the recommendations of family physicians. The environment of the city specialist tends to stimulate every latent business faculty in him. He is thrown into daily contact—both professionally and in his club and social life—with keen business men who do business in a modern, systematic and efficient manner; and he would be far more stupid than he is if he failed to catch a little of the business-efficiency

spirit in this contact. The greater number of country doctors, however, renders this influence comparatively small, so far as its results on the whole profession are concerned.

The country doctor not only lacks in this stimulating contact with men who live and breathe business efficiency, in the modern sense of the term, but his hours are long; and if he has an established practice his social life is so limited and broken that he has little or no chance to get this sort of inspiration and guidance from any men of his acquaintance who are able to give it. "The destruction of the poor is their poverty"; and the country doctor who begins practice under the common inheritance of business ignorance and business inefficiency soon finds that tradition has saddled him with a handicap which is its own best protection against elimination.

In conversation with many physicians I have not found one who dissents from the statement that the typical old-time doctor did well if he collected fifty per cent of his accounts. Many are inclined to place the average at forty per cent; but all are agreed that this must be largely guesswork, because the whole business side of the old-school doctor's life was a matter of guesswork. His records were meager and inadequate from first to last. Often he was too exhausted or too anxious about his cases to charge all his visits. Though he assumed to keep a professional daybook and charge every service as rendered, he often failed to do this. Often after fifteen or eighteen hours of wearisome riding and nerve-racking attendance on the sick he took the first opportunity to tumble into bed and snatch a few winks of sleep, letting his bookkeeping wait until morning—only to be suddenly summoned by an early morning call to some other bed of suffering.

Of course at the first opportunity he made his daybook charges—from memory; and it is not strange that, under the circumstances, he failed to recall all of them. This leak, in the form of a failure to charge all work done, was not insignificant, as any old-time practitioner will admit; and it is not entirely insignificant to-day among doctors who have no office assistance, who do much country riding, and whose general attitude toward their business affairs is that of the old-time professional school.



"I Lose Few of These Accounts, Because I Do My Business With Them as a Banker Would"



It may be taken for granted, however, that the leakage through failure to book work done was not more than five per cent in most instances. Certainly it was the smallest leak that occurred in the whole course of loose business practice, for the reason that when once the physician of this type had entered the charge for service he seemed to consider the matter disposed of for an indefinite period. He discharged this sordid detail from his mind and applied himself to professional considerations with a clear conscience.

Under the old system—or lack of system—the patients of the country doctor did not receive statements from him more frequently than twice a year. There was a vague unwritten code that this was as often as a doctor of high professional standing could descend to so sordid a matter as bills, and preserve his professional dignity and standing unscathed. In the case of a young doctor, not yet solidly established, this traditional code permitted him to show a somewhat keener interest in early affairs and to remind his patients of their indebtedness by the sending of quarterly statements.

The special necessities of founding a practice were recognized to this extent; but if that young doctor presumed to press those indebted to him he incurred the possibility of creating an unfavorable impression in the community. Gossip was likely to hint that he must be extremely hard up to go after his patrons as though his bill were for groceries instead of medical services.

The hope and support of the old-time physician was that peculiar class of persons, found to a limited extent in every community, who either pay cash or "dun" themselves, and to whom debt is an abhorrence. Without a few patients of this sort the development of the old-school doctor would have been an impossibility. Starvation and bankruptcy would have done their work of elimination or would have forced a radical change of business methods.

A few weeks ago a physician, in a town near the home of the writer, died at about the age of sixty-three years. He had been in practice in that town for more than thirty years, and for the greater part of that period he had been its leading physician and surgeon. The town has a population of about five thousand and is surrounded by a prosperous farming community. This doctor had a wife and one child, did not speculate or indulge in the gold-brick investments that sap the resources of so many physicians, and was careful in his personal and family expenditures.

Not for ten years had his practice fallen below five thousand dollars a year, and in some years it had exceeded six thousand.

#### When Doctors Sent No Bills

THE natural inference from this combination of facts is that he must have left a very comfortable little fortune to his widow—enough to place her beyond the need of worry for the remainder of her days. This is what his friends expected to find when his estate was probated; but what they did find was an estate that scheduled a trifle more than fifteen thousand dollars. And it was all in the schedule—except what had remained in the hands of his patients! If this widow could collect

eighty per cent of the unpaid accounts on her husband's books for a period covering the last twenty years of his practice, her estate would be more than doubled.

"This physician," declares a fellow practitioner, "kept in the harness and worked at full capacity for two or three years longer than he had any right to; he knew he ought to retire—or, at least, attend only to the cream of his practice and let the rest go—but he had to keep going because he had to have the money. There was no chance for him to let go until death loosened his grip."

There is nothing sensational about this case. Instead, it is typical and commonplace. It can be paralleled in practically every community that has had its share of old-time doctors or of those who cling to old-time methods in the management of the business end of their practice.

In a little Illinois village of about five hundred inhabitants there is a physician who has every right to speak for the old-time doctor. He not only belongs to the silk-hat era but he still wears his tall beaver—rain or shine—at all hours of the day. In his opinion it is the only suitable headdress for a physician.

At eighty years of age he is active, alert, and able to ride the country roads almost as diligently as when he was forty. If he has any disqualification as a representative of the old-time doctors—as they are found in literature and in the traditions of the profession—it is to be found in his progressiveness and his alertness to keep in touch with the

latest developments of medical science; but this need not disqualify him as a spokesman for the country doctor of the days of saddlebags and the two-wheeled gig.

"Medicine, sir," he declares, "is a profession—not a business. That was the spirit of the teaching in the days when I was more engaged with the theory of medicine than with its practice. And from my point of view it has continued to be its spirit ever since."

"Without casting any reflection on the great body of medical practitioners I am sometimes forced to admit that this view seems to be somewhat clouded, if not wholly obscured, in the cases of some of the younger members of the profession."

"It has never been denied that there is a business side to medical practice; but that side was little discussed and little considered by the physicians who did most to form the professional standards that prevailed when I entered the practice. You know that once physicians did not charge a fee; they simply accepted whatever was offered them as an honorarium. That day is not so very remote in the past, either. And it is well to remember this fact in passing judgment on the business efficiency of the physician of to-day."

"The first traditions of the profession decreed that he was purely a public benefactor who had dedicated himself to the welfare of his fellows, and that his material needs should be met by them as a matter of gratitude and not of sordid business. And the practitioner of to-day is not without an occasional reminder of the fact that a certain class of patients appear to have clung to this tradition more tenaciously than the majority of medical men!"

"When I began practice here, forty years ago, a fixed charge was the rule. My fee was twenty-five cents a visit and twenty-five cents a mile for the distance traveled. In those early years my cash collections were absurdly small—only a few hundred dollars! Currency was scarce—and

Sometimes, of course, my horse would halt at a house short of my destination; but seldom, if ever, have I been carried past my point of call.

"There were times, however, when the road conditions and the high winds forced me to walk. Night after night I have walked all night long in order to make my rounds of patients. Naturally there was more sickness than usual when the weather conditions were bad enough to make the roads impassable for a horse."

"If the only satisfaction I obtained from my practice had been its financial return I should have felt myself miserably underpaid in those days of constant travel over roads that were little better than rivers of mire. Fortunately I didn't feel that way about it. I felt that I was doing something for the people of this community they were unable to do for themselves, and that it was a good and worthy work—wholly aside from the financial results it brought or failed to bring."

"And it is only worth while to go into these personal experiences and tell of these hardships because they are typical of what the majority of country doctors in the more thinly settled portions of the country had to encounter. And there are thousands of localities to-day where the country doctor is forced to meet with practically these same hardships. Neither bad roads nor night riding to the relief of the sick has become a thing of the past."

#### Hard Work and Small Pay

THEN, too, I want to say I feel that my own professional attitude has been only typical of that quite generally held by my fellow physicians. Certainly the old-time country practitioner who responded to calls night after night that took him far afield, over rough country roads and through storms and cold, did not stick to so strenuous and unsparing a calling simply for the money there was in it. If such

had been his dominating motive he would either have proved himself a better business man and got more money out of it, or else he would have deserted to some other occupation.

"This brings us down to the question of what the doctor does get out of it in a financial way. I can easily recall how prosperous I felt when my practice reached the figure of a thousand dollars a year. And that was not in my first year, either—not by any means! But there was a considerable gap between my book practice and what my practice actually brought me, either in money or in the necessities I would have to buy."

"Sometimes I have felt that there was no limit to the amount of oats and hay I could use; but there is a limit to a doctor's capacity for potatoes, fruit, garden truck and firewood. When this limit is reached in his commodity income it becomes a question of how much he can realize on the stuff by sale or by turning it to square some debt of his own. In this matter of turning things—as we call it out here in the country—the old-time physician was forced to become something of an adept. Personally I've turned about everything, from a bushel of wild plums to a blind horse."

"As a matter of fact, however, the doctor seldom becomes an expert at this game of barter and exchange, for

the reason that if he has practice enough to swamp him with a larger commodity income than he himself can use he is too busy to practice the trading art. But to return to the difference between my practice and my income. Some years that difference has been thirty per cent and some years fifty. I fancy that this is about the experience of the average country doctor who has inherited the unbusiness-like traditions and methods of the old-time medical practice. I can make quite a plausible defense of my business capacity, at that, when pushed to it."

"I can explain that farm hands and farm tenants are unstable folks, who shift their residence often and without notice to their doctor; and that even prosperous Illinois has seen occasional seasons of short crops or poor prices, or both. And I can truthfully declare that a doctor's bill is the last bill on earth the average countryman thinks of paying. Only yesterday an ingenuous patient met me on the street and said: 'Doctor, I've squared up everything I owe in the world except your bill, and I guess I might as well pay that.' The roll he displayed suggested the thought that perhaps he felt himself forced to the extremity of settling my bill by the necessity of reducing his visible burden of currency rather than from any other consideration."

"From fifty years of practice I can testify that this man reflected the universal attitude of humanity—pay every other obligation on earth before you settle for medical service. And there is no other obligation apparently that



"Many a Night I Have Been on the Road All Night Long and All the Sleep I Had Was Taken in the Saddle"

also uncertain. It was a doubtful achievement to collect a bill in currency; the shinplasters might turn out to be worth their face, or worth nothing. There was never any question, however, as to the soundness of the wheat, corn, oats, potatoes, pumpkins and garden vegetables I collected. I became a good judge of that form of payment; and I knew that with plenty of the fruits of the land I should certainly be able to live."

"Many a time I have driven home from a call with my fee—in the form of grain or potatoes—almost crowding me out of the buggy. I'm glad to have known and served those splendid pioneer people. My greatest satisfaction from such a practice was not in its material returns. That seems to me as it should be. I feel the same way about my practice to-day; and I hope I shall never see the day when that will not be the feeling of the great body of practitioners."

"But in any consideration of the business side of a physician's life the way in which the doctor earns his fees should not be overlooked. Many a night I have been on the road all night long and all the sleep I had was taken in the saddle. The roads then were soft dirt roads, and in the wet seasons of the year they were impassable with a buggy. Fortunately for me I had served in the cavalry during the war, and could sleep in the saddle when on a horse that knew the country and the houses where I was in the habit of calling. Whenever the horse stopped I would wake up.





"She Said They  
Would Pay  
Their Bill if  
it Took All  
They Had  
in the World"

lived by lantern light, and that he could locate almost any line fence in his territory in the dark. For a time the beginner was glad to have night practice; but when he became established night riding began to lose its charms. His own observation convinced him that the community had acquired the night-ride habit, and that it could be cured of this complaint as well as of other maladies.

One night a wealthy farmer telephoned him to come out and see a member of his household. As the doctor was leaving the farmer inquired the cost of the visit. When told that the charge was six dollars he exclaimed:

"Six dollars! That's just double what the old doctor ever charged."

"This is a night visit," was the calm reply. "It would have been only three if you had called me any time during the day."

"But six dollars for one visit is outrageous, young man!"

"Very well," responded the doctor; "I'll make it three on one condition."

"All right—name it!" returned the farmer.

"That condition is that when I need another load of hay I may call you up at ten o'clock at night; that you will get your man out, hitch up your team and bring in the hay inside of two hours; and that you will do so at the regular price and without a whimper or a complaint. That young man of yours has been sick for two days. You could have called me this noon as easily as to-night

at nine-thirty. You didn't do so because you thought there was a chance that he might take a turn for the better and get along without me. Your plan for saving three dollars failed; but still, you expect me to —"

"Say," interrupted the farmer, "you've got me on the hay argument. Don't need to go any further. You're all right!"

By consistently following that line of action and reasoning this physician has not only reduced night riding in his practice by eighty-five per cent but he has made the night riding he is obliged to do pay him double toll. His statements are sent out every month as regularly as he receives his statements from the butcher and the grocer; and he collects ninety per cent of his accounts.

"I'll go as far as anybody," he declares, "in giving time to the patient who is in hard lines and who wishes to pay but can't. But when a man who can pay demonstrates just once to me that he has no regard for his obligation to his doctor, he either pays spot cash next time or else he goes without my services—provided, of course, the case is not clearly in the emergency class. If it is I respond, as would any conscientious doctor. This community can be cured of the malady of dead-beating its medical service just as well as it can be cured of the night-call habit."

"A physician has a hard-enough life at best without being imposed on at every stage of the game. Instead of lowering the standard of his profession by attention to sordid details, the doctor who charges his fees and collects his accounts in a businesslike manner is doing a good work in promoting public respect for the profession. It's hard work for the average human being to respect anybody he can consistently impose on."

How about the business affairs of the physician in the big city, who has achieved a considerable degree of professional distinction and a firm standing as a specialist? Does he register a higher degree of business efficiency?

Speaking broadly, the answer is that he is more businesslike than his professional brother in the country; but this is complimenting him only by comparison. He collects a higher percentage of his accounts; but it must be remembered that many—perhaps most—of his cases are sent to him by other physicians, and that there is a double responsibility behind all referred business. If the patient does not pay the specialist is entitled to look to the family physician for his fee.

A celebrated specialist, whose name would be recognized by any reader of THE SATURDAY EVENING POST, laughed genially when this problem was put before him.

"I suppose," he declared, "that we physicians of the city doing a consultation and operating practice appear to be a bit more businesslike than our fellow practitioners in the country; but I'm not sure that is precisely our fault or our virtue. It is rather due in large measure to the fact that, in order to handle the volume of work we are obliged to get through with, we are compelled to have considerable office help; and these helpers naturally attend to business details in a fairly systematic way."

"However, I am obliged to confess that the Federal income-tax law forced me to learn a lot about the net business results of my practice that I didn't know before. Of course I had all the data from which to arrive at the results, but that's quite a different matter from reducing those figures to what I'd call a net analysis. And I imagine that most of the medical specialists could make the same confession without doing violence to the truth. The fact is, we're not good business men, as a rule. There's no denying that. We're careless, easy-going and disinclined to anything that resembles a trial balance. Of course there are shining exceptions in the profession—but that's the rule."

### The City Specialist's Office System

"TAKE my own case as an example. I have four or five medical assistants, besides a personal secretary and the receiving secretary out in the general office. All my cases pass through the hands of these secretaries and of one or more of the medical assistants before they reach me. The lesser details of my relations with my patients are thus taken care of for me by others in a manner that is almost automatic; but do I have that grasp on the business side of my practice that the alert and efficient manufacturer has on his affairs? I do not. Does my secretary place before me at the end of each week, or even each month, a comparative statement that tells me at a glance how my gross revenue for March, 1914, compares with that of March, 1913? I fancy that my secretary would shudder a bit at such a suggestion. It would look too businesslike—too unprofessional!"

"Do I know to a dollar what my overhead and my operating expenses are from month to month? Only in a general way. I could figure it approximately if I took the time to do it; but the fact is, I don't."

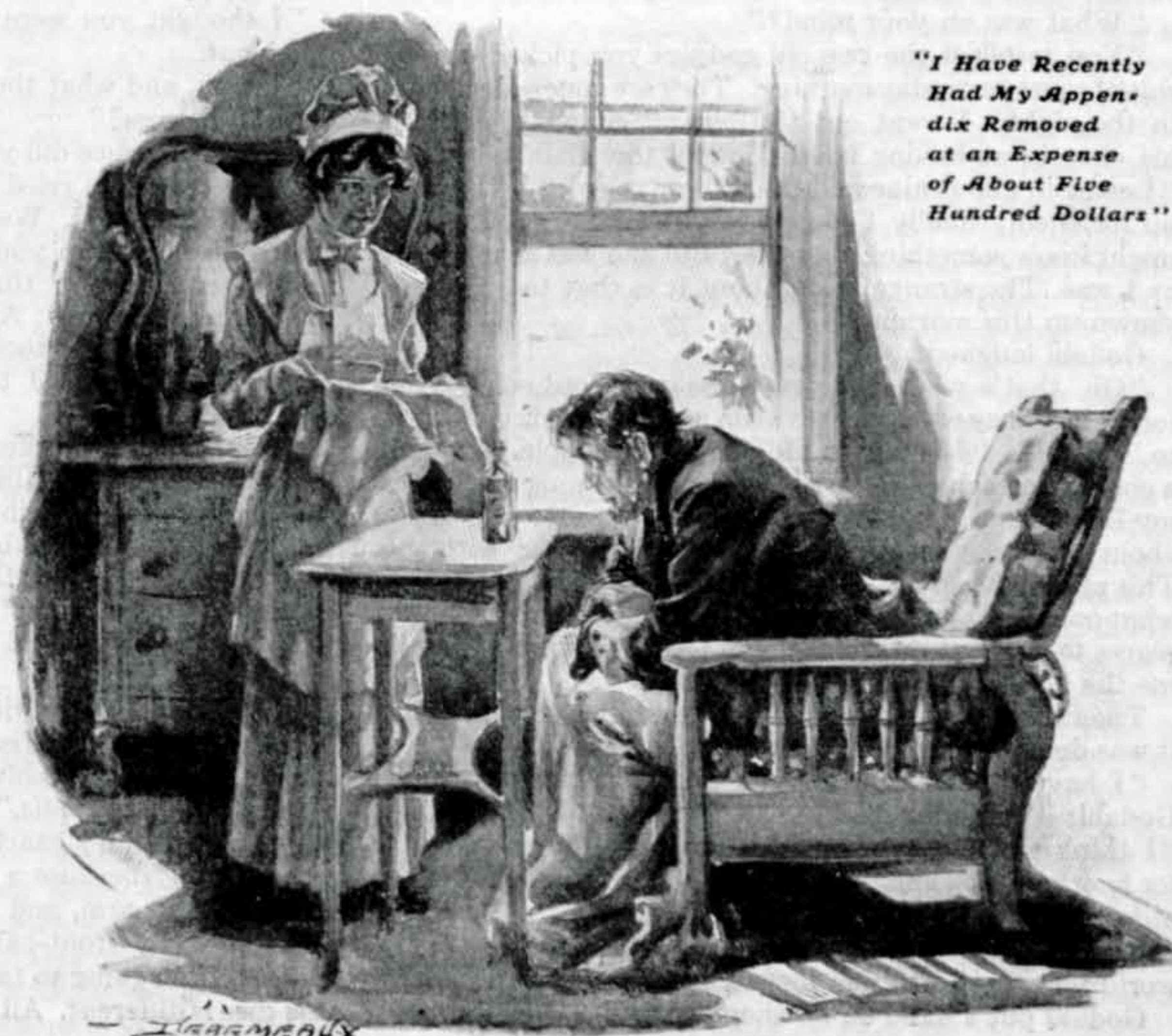
"I know what my rent and salary list amount to, but that's about where exact knowledge leaves off and guess-work begins. Imagine a manufacturer, in these days of keen competition and scientific operation, running on that kind of basis!"

"In a general way I know I collect about ninety to ninety-five per cent of my accounts; but even there I have to use the flexible and convenient word 'about.' And I am quite certain that I am fully as businesslike and efficient as the average specialist having a large hospital and consultation practice; in fact I flatter myself that I am above the average in that respect."

When asked whether he consulted the ordinary commercial rating institutions in making his credits the famous specialist laughed again and exclaimed:

"Oh, no; that would be altogether too businesslike for a physician. If I don't know about a patient's circumstances in a general way, I ask him. This leads to the

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"I Have Recently  
Had My Appen-  
dix Removed  
at an Expense  
of About Five  
Hundred Dollars"

### An Effective Cure for Night Calls

"SO LONG as I am allowed to retain my old-fashioned ideas of professional ethics I shall not quarrel with that verdict. I am not sorry that for more than forty years I have been too keenly absorbed in the professional side of my practice to become an efficient accountant, collector and investor. I am satisfied to have won a certain place in the esteem of my community—a place I flatter myself could be secured only by a country doctor with old-fashioned professional ideals."

About twelve years ago a young doctor bought the practice of an old-time physician in a country town of some twenty-five hundred inhabitants. He brought to his fight for a practice the modern viewpoint. The motto on his wall was: The servant is worthy of his hire—and then some! On the desk of his office he placed a modern card-index system, especially designed to serve the physician as a substitute for the old-fashioned ledger. In one drawer is kept the financial accounts of his practice; in another the medical record of his cases. The cards in one drawer are as faithfully and as completely kept as those in the other. No partiality is shown.

When this young doctor began practice he found the demand for night riding unexpectedly heavy. The doctor to whose practice he had succeeded confessed that he had



# PEEPS INTO PROFESSIONAL LEDGERS

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giving of references, which are sometimes consulted, but more often are not. The matter of a patient's ability to pay, however, has another phase for the physician besides its bearing on the chances of collection. The ethics of medical practice holds that the fee charged should be largely based on the patient's financial circumstances."

And this view is almost universally upheld by public opinion. There is not one man in a thousand who will quarrel with the proposition that a man having an income of twenty-five thousand dollars a year should pay several times as much for a certain operation as should a man earning only one-fifth that amount. Of course there must be a minimum fee, below which the specialist will not go if he makes any charge at all. This means that the physician has a double incentive for knowing the financial circumstances of his patients. The amount of his fee, as well as the likelihood of prompt payment, is based directly on what the physician believes the patient to be worth. If the toll the business man feels himself privileged to exact from his customers rested on the same basis, would he leave his knowledge of his customers' affairs to guesswork or to a few casual questions?

If public opinion and common practice decreed that he could charge his millionaire patron ten times as much for a certain commodity as he could exact from the bookkeeper, the shipping clerk or the laborer, there would be a hustling for exact credit information that would make the income-tax department of a United States Internal Revenue office look like an amateur in the art of ferreting out hidden financial secrets. With such an incentive to stimulate him, the credit man of the ordinary business house would experience a fresh zest for credit facts that would make his previous efforts appear in the light of child's play.

"Yet the physician, and particularly the city specialist, who has this incentive smilingly makes his guess and lets it go at that."

Does the thrifty and unscrupulous man of fortune ever put it over on the unsuspecting specialist and escape with a fee that is cut to fit the savings account of a cub reporter or a dry-goods clerk? He does—about as often as the sun rises! As one eminent surgeon puts it:

"What chance has a doctor when he goes up against a capitalist who has been schooled in the clinic of making out tax schedules that are as plausible as a baby's smile? He's clay in the hands of the potter when a man of this sort sets out to escape about four-fifths of the fee he should normally pay. Patients that come from outside the city in which the specialist lives have, of course, the best chance to play this game and get off easy."

## Charity Patients

"In referred cases the specialist naturally looks to the home physician for a hint as to the patient's financial strength; but often the local physician's knowledge on that point is decidedly vague. Then, too, it must be remembered that the family physician is closer to the patient than he is to the specialist and that the tie between them is a permanent one. Therefore it is fair to assume that, at least in many cases, the local physician is glad to see the patient he sends to the specialist escape with as light a fee as possible. Mind! I do not accuse local practitioners of deliberately deceiving the specialists to whom they send patients or following a common practice of deception along this line. I intend nothing of the sort. But I do intend to imply that if they make an error of judgment in their representations of the financial strength of referred patients, that error is likely to be on the safe side, so far as the patient is concerned.

"As a rule, I think few prosperous patients sent to the city specialists would wish to take to their bankers, as a basis for a line of credit, the representations concerning their financial standing that go up to the specialists from the family physicians. These would often be a little too conservative for that particular purpose."

One development of modern medical practice is a different attitude toward

charity work. The tendency of the old-time practitioner was to serve all comers and to book all services without regard to the possibilities of collection. Those who paid were not charity patients; those who did not pay put themselves automatically into the charity class. This easy way of separating charity from non-charity cases prevails to-day to a common extent, especially in country practice—there it is the rule rather than the exception; but the city specialists and the younger men in the profession, who are inclined to disregard traditions and do a little original thinking along ethical lines, have decreed that this is poor practice from every point of view, and often works injustice to patients who ought not to pay for medical service, but are too honest and conscientious to avoid paying for it; that it encourages the willing deadbeat and furnishes him with a quasi justification for his delinquency; and that it inflicts on those of the poor, having a sense of financial obligation and no ability to pay, an unnecessary burden of anxiety.

## Those Who Should Not Pay

A doctor in a manufacturing town having a high percentage of poorly paid laborers puts the problem this way:

"Early in my practice I was called on to attend a laboring man who did not earn more than fifteen dollars a week. He had a terrible and protracted illness, covering several weeks. It was necessary for me to call several times a day when he was at the worst, and there was not a day in three weeks when I was not obliged to attend him at least once. I knew that it would not do for him to go back on his job again for several weeks. One day, after I had ceased calling, his wife appeared at my office and begged me to tell her the worst about their bill. She said they would pay it if it took all they had in the world; but she would have to take in washing in order to support the family until her husband was well again. She did not ask me to make the bill as small as I could or to make any other concession beyond a reasonable length of time in which to work out the payment. All she wanted was to know the extent of the burden, so that she could face it squarely and then get under it.

"Now, if I had rendered her a bill—even if I had assured her she could take all the time she liked in paying it—that little woman would have worried her heart out until the last dollar was paid; but right there I saw a light with regard to the treatment of charity cases. I determined then and there to decide for myself what cases should go under that heading and what should be booked for collection.

"So I explained to the woman that I had no charge whatever against her; that she could not possibly afford to pay me, and that it was part of a physician's work to serve without fees those that were in need and could not pay without an unwarranted sacrifice. I think she went away the happiest woman who ever left my office. It would have been cruelty to have allowed her to carry the burden of that debt on her mind, for it would have haunted her night and day. When I was called to her cottage I never entertained the notion that I should ever receive pay for my visits; but if I had followed the common practice I should have allowed her to struggle and suffer under the idea that I did expect her to pay sometime.

"And right in the same town was a man who had been booked by my predecessor in practice for several hundred dollars, and who had never paid a dollar. He had been allowed to put himself into the charity class. And I think the old doctor did more than he ever realized to make a deadbeat of this man. He could earn good wages, and did so much of the time. His family were honest folks who paid their debts; but when he found that it was so easy to beat the doctor out of a bill he evidently began to see the same possibility in connection with other bills, and eventually he gained the local reputation of being a deadbeat.

"Not long after my experience with the woman who was so troubled about her bill I was called to attend the wife of this man who, at good wages, had become notoriously poor pay. I determined to turn the tables and make this man pay full price.



He was surprised beyond measure when promptly, after the first of the following month, I appeared at the shop where he worked and forced him into an arrangement for the payment of his bill and later obliged him to do as he agreed. He pretended to think I was behaving like a very poor doctor; but I notice he never calls any other physician."

These cases can be paralleled by practically every physician who has adopted the modern policy of deciding for himself what cases shall go on his charity list, instead of leaving the selection to his patients. A Chicago surgeon of high standing and extensive practice says:

"Probably twenty-five per cent of the cases I attend are charity cases purely, and are not entered on my books save as to their medical history. On the other hand, I collect ninety-seven per cent of my accounts. That is much better than I used to do before I became thoroughly in touch with the modern spirit of doing things in a businesslike way which has at last begun to permeate medical practice. When a patient beats me out of a bill to-day he is entitled to consider himself something of a deadbeat.

"Where do I draw the line between charity work and pay work? If a man with a family needs an operation—say the removal of his appendix—I find out how much his salary or wages amounts to. If he gets only fifteen or twenty dollars a week, and has comparatively nothing laid by, I never charge him anything—he has too hopeless a struggle before him to be burdened with a fee or the fear of it; but if he is drawing twenty-five a week he is in another class. That man gets his operation for the minimum fee of twenty-five dollars and is given all the time he needs in which to work out his debt; but I see to it that he does pay according to the agreement."

### Collecting Bad Debts

"It is hard sledding in a big city for a man with a wife and two or three children to make both ends meet on twenty-five dollars a week, without paying doctors' or surgeons' bills; but he can do it if he has to, and that without inflicting too great hardship on his family. When you let a man off without any fee, who can pay by dint of careful economy instead of actual hardship, you are pauperizing a man to whom a sense of independence is worth more than the money is worth to you; but, with the family man on fifteen or even twenty a week, the question of pauperizing loses its point in my opinion."

Perhaps one reason why the average physician of to-day is slow to send his accounts to a collection agency is due to the fact that the medical profession has been generously victimized by fake collection schemes. The wiser ones have learned by experience to make haste slowly in this direction. Even a country doctor will shy after he has been stung several times in the same place by the same kind of hornet. He may be slow to learn commercial wisdom, but he gets the message after the dose has been indefinitely repeated.

Many city physicians having a large office practice employ private collectors. These are quite likely to be young medical students who are working their way through college. Others intrust this task to men of their acquaintance who have been dropped from responsible business positions because of their advanced age. The retired office man who has been shelved to make room for young blood, but who understands human nature and is responsible and faithful, is undoubtedly as trustworthy and satisfactory a collector as a physician can intrust with his accounts. In buildings where many leading physicians have group offices the man of this character can extend his clientage and handle the collections for several physicians.

Progressive country physicians have come to find the local bank clerk a convenient agent in accelerating collections. With his statement the physician sends a polite and cautiously worded plea for the settlement of the account, and suggests that, as his presence in his office is uncertain, he has arranged that the bill may be paid at the bank, and that young Mr. Blank there understands the matter and will receive the money and give a receipt.

This method of collection has been successfully tried by many country physicians, and has been found to give less offense than placing the bill in the hands of the local lawyer or justice of the peace for collection. And it has been successful in stimulating

the payment of bills that have not as yet become really old. Some country physicians have found it convenient to employ the clerk or cashier of the local bank to take charge of their entire accounting and collection system. In such cases, however, the physicians have avoided trouble by going over all the statements and the pleas for payment in order to hold out any that might give offense. As one doctor said:

"Our patients will not permit us to become quite as thoroughly businesslike as the butcher or the grocer right at the start. They have to be educated gradually out of the idea that a doctor has no business to ask for the settlement of an account that is of less than a year's standing. And we have some accounts in which settlement any time inside of a year is satisfactory and all that we can reasonably expect."

The investment page of the physician's ledger is quite as illuminating a study as his profit-and-loss account. Perhaps it is even more depressing. In the slang of the investment-broker's vernacular: "It opens up the most complete and varied collection of cat-and-dog securities ever unloaded on a bunch of financial Babes in the Wood."

The slaughter of the innocents in the ranks of the medical profession by promotion sharpeners has been so alarming that at least one prominent medical journal has for the past few years devoted several pages each month to exposing investment fakes and trying to educate physicians in how not to make investments. In the main the wholesome advice given by Dr. C. F. Taylor may be summarized in these precepts:

1—Never make an investment without consulting your banker; buy nothing that he advises against.

2—Keep out of industrials and manufacturing schemes of all kinds.

3—Do not buy land you cannot see as you drive about in the course of your practice.

4—Sign no document you have not read carefully from start to finish and reflected on overnight.

This is a simple code, but if it had been followed generally by the physicians of this country for the last ten or fifteen years the profession would be wealthier by several million dollars. Of that there is not the slightest doubt. And it will be equally apparent to any person who follows the trail of the bunko salesman from one physician's doorsill to another that the average doctor is about as capable of making a shrewd investment of his money as the average fake-security salesman is capable of performing an operation for the removal of the appendix.

### Bait for Easy Doctors

An extensive symposium, in which several hundred physicians have freely confessed their investment mistakes, reveals the fact that few frauds have been too bald and obvious to fail of a liberal support from the medical profession.

The most modern device for separating the physician from his savings, however, is the sale of stock in companies manufacturing proprietary articles which the doctor is in position to prescribe for his patients. This plan is worked for physicians only—no others admitted. The salesman of such securities makes a telling appeal in practically these words:

"You have admitted that this is a good article—one that you can conscientiously recommend to your patients. Why not get in on the right side of this good thing and own a little stock in the concern? We wouldn't sell you more than the stipulated number of shares if you were to offer us a fat premium. What we want is to have the largest possible number of physicians personally interested in the manufacture of this article. Why, the whole thing is in the hands of the doctors of the country! They are simply prescribing dividends for themselves. And don't you think for a minute they are going to forget to write that prescription! Of course they wouldn't do that unless they felt that this article is as good or better than those it competes with; but there's no question on that score: our testimonials from hundreds of physicians settle that. With the doctors of the country busy pushing this thing it can't fail to pay big dividends. It's got to go—and go big!"

The same line of attack is being followed with equal success in extracting investment money from dentists. To own shares in a company manufacturing a tooth paste

or a mouth wash that can be urged on patients evidently appeals to a certain part of the profession as a proper and commendable thing.

"The appalling thing to me about this latest form of investment bait," declares a physician who has more than ordinary business discernment, "is not the fact that it may prove to be quite as insecure as other investments for which physicians have fallen by the thousands. That is the least of my criticism against it. It really involves a direct debauchery of business and professional ethics; it puts the physician in the position of using his professional standing and authority to sell to his patients proprietary goods in which he has a silent financial interest. Yet thousands of reputable physicians are falling for this scheme. Some understand its rotten ethics, but many are too innocent of business affairs and standards to appreciate this. After they have decided that the article manufactured is worthy and worth the price—as such things go—they honestly think that no further question of ethics is involved in the transaction. And I know that the sales of this sort of stock are enormous."

Dentists are generally somewhat more businesslike than physicians, especially in the matter of their credits and collections.

"In the first place," remarks a Chicago dentist, "we have not quite the same inheritance of professional traditions as has descended to the physicians. Again, we practice our profession only in our offices, where our books are kept. This means that in our unoccupied moments we just naturally turn to our accounts and look them over. Still another consideration is the fact that the materials and tools of our profession cost more, on the average, than do those of the physician. We not only must get in the money from month to month to meet these expenses, but we are brought into more constant and frequent contact with salesmen of supplies—keen men who bring with them the atmosphere of business; so we can't help breathing a little of the oxygen of business efficiency."

### A Businesslike Dentist

"A few years ago I thought I was doing well to collect seventy-five per cent of my book accounts. To-day if my collections fell under ninety per cent I'd get excited—and this in spite of the fact that I have many theatrical men and women among my patients. I lose few of these accounts, because I do my business with them as a banker would. When there is any excuse for it I use a judgment note. Besides, I know their salaries and their dramatic connections. I take the theatrical journals and know their bookings. They can't get away from me, and most of them do not wish to. My social expenses are the heaviest part of my outgo.

"The total of all these is far in excess of my overhead and operating expenses; but I have practically all the patients I can care for and my prices are neither cheap nor high. No doubt my income is above that of the average city dentist by considerable, and yet there are many in the profession who have far greater incomes. Like all other dentists, I have been plentifully stung by the promoter and the bunko salesman; but I'm getting wiser every day, and so are the members of the profession generally. We are becoming better credit men, better collectors and better investors each year—and better salesmen, too, for that matter!"

The whole professional viewpoint is concisely expressed by a Chicago physician who has taught hundreds of students in one of the large medical colleges:

"There are three motives," he declares, "actuating every man or woman who enters on the study of this profession—an ambition to graduate, a purpose to earn a livelihood, and a desire to win fame. No real physician remains in medical practice solely for the money he can get out of it. True, there are too many mercenary physicians in practice who do not see beyond the dollar—I am forced to admit that—but they are not the men who give the profession its standing or who lead it from one achievement to another.

"The men who are doing this are out to win fame or to benefit humanity, or both; and such men will never become good business men in the modern sense of the term. They are born to their profession—and generally need business guardians; and the greatest stroke of good fortune that can befall such a physician is to marry a wife who has a natural capacity for business affairs."